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Hearing Date and Time: February 14, 2019 at 10:00 a.m.

and

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.

)
) **Chapter 11**
)
) **Case No. 18-23538 (RDD)**
)
) **(Jointly Administered)**
)

**DECLARATION OF DWIGHT C. SNOWDEN IN SUPPORT MOTION OF CERTAIN
UTILITY COMPANIES TO DETERMINE ADEQUATE ASSURANCE OF PAYMENT
PURSUANT TO SECTION 366(c) OF THE BANKRUPTCY CODE [Docket No. 1395]**

I, Dwight C. Snowden declare as follows:

1. I am the Collection Support Coordinator, SR for American Electric Power Company, Inc. ("American Electric Power") and have been in that position for 6 years and with the company in various roles for 35 years. In my current position with American Electric Power, I

assist in the credit and bankruptcy operations of Appalachian Power Company (“APCO”), Indiana Michigan Power Company (“IM Power”), Ohio Power Company (“Ohio Power”), and Public Service Company of Oklahoma (“PSO”) (collectively, “AEP”).

2. Except as otherwise stated, all facts contained within this Declaration are based upon personal knowledge, my review of AEP’s business documents, correspondence and relevant documents, or my opinion based upon my experience concerning the operations of AEP. If called upon to testify, I would testify to the facts set forth in this Declaration.

3. On behalf of AEP, I submit this Declaration in support of the *Motion of Certain Utility Companies To Determine Adequate Assurance of Future Payment Motion* (the “Motion”) [Docket No. 1395].

4. In making this Declaration, I am familiar with the contents of the Motion (Docket No. 1395), *Motion of Debtors Requesting Entry of an Order (I) Approving Debtors’ Proposed Form of Adequate Assurance of Payment To Utility Providers, (II) Establishing Procedures For Determining Adequate Assurance of Payment For Future Utility Services, and (III) Prohibiting Utility Providers From Altering, Refusing, or Discontinuing Utility Service* (the “Utility Motion”)(Docket No. 196) (the “Utility Order”) and the *Order (I) Approving Debtors’ Proposed Form of Adequate Assurance of Payment To Utility Providers, (II) Establishing Procedures For Determining Adequate Assurance of Payment For Future Utility Services, and (III) Prohibiting Utility Providers From Altering, Refusing, or Discontinuing Utility Service* [Docket No. 461] (the “Utility Order”).

5. It is part of my job responsibility with AEP to: (A) review customer accounts with AEP; (B) address credit issues with AEP’s customers; and (C) address issues concerning customers that file for bankruptcy protection, including requests for adequate assurance of

payment.

6. AEP's relationship with the Debtors is governed by electric tariffs (the "AEP Tariffs") that are on file with the various public utility commissions and can be obtained at:

Indiana -

<https://www.indianamichiganpower.com/account/bills/rates/IandMRatesTariffsIN.aspx>

Ohio - <https://www.aepohio.com/account/bills/rates/AEPOhioRatesTariffsOH.aspx>

Oklahoma - <https://www.psoklahoma.com/account/bills/rates/>

Virginia -

<https://www.appalachianpower.com/account/bills/rates/apcoratestariffsva.aspx>

West Virginia -

<https://www.appalachianpower.com/account/bills/rates/APCORatesTariffsWV.aspx>

7. The AEP Tariffs establish: (a) the amount of security that AEP is entitled to seek from its customers under applicable state law; (b) that AEP must bill the Debtors monthly; and (c) the billing and payment terms for all of AEP's customers. Specifically, under the billing cycle established by the AEP's Tariffs, a customer receives approximately one month of utility goods and/or services before AEP issues a bill for such charges, which is due on presentation. If payment is not made within 21 days of the invoice date, a late payment charge at the rate of one and one-half percent per monthly billing period is applied to the account. Service may be terminated upon a customer's failure to pay a bill for utility service within 30 days from the date payment is due, but not until AEP has provided the customer with written notice that is mailed to the customer at the premises where service is rendered and 10 days to cure the payment default. Accordingly, a customer's account will not be terminated for non-payment of bills until at least 60 days after the service is provided.

8. AEP provided the Debtors with utility goods and services prior to the Petition Date and continues to provide post-petition utility goods and services to the Debtors' accounts that are listed on the chart attached to this Declaration as **Exhibit "A."**

9. Pursuant to the applicable AEP Tariffs, APCO, IM Power, Ohio Power, and PSO are entitled to seek two-month cash deposits from the Debtors in the following amounts:

- A. APCO \$97,211.00
- B. IM Power \$7,894.00
- C. Ohio Power \$212,951.00
- D. PSO \$49,050.00

10. AEP is seeking the security set forth in this Declaration because of the exposure created by its billing cycle.

11. For its non-bankrupt customers, AEP accepts security in the form of cash deposits, letters of credit or surety bonds, which are all forms of security maintained by AEP and not a third party.

12. Although APCO, IM Power, Ohio Power, and PSO do not want some or any of their post-petition security to be in the form of money maintained in the Adequate Assurance Account, if the Court were to hold that the security provided to APCO, IM Power, Ohio Power, and PSO is to be in that form, APCO, IM Power, Ohio Power, and PSO would ask that the Utility Order be amended to include the following additional provisions to ensure that the money held in the Adequate Assurance Account is sufficient in amount and would be available for payment of unpaid post-petition bills:

- A. The amounts for APCO, IM Power, Ohio Power, and PSO be increased to:
 - i. APCO - \$97,211.00
 - ii. IM Power - \$7,894.00
 - iii. Ohio Power - \$212,951.00
 - iv. PSO - \$49,050.00

The foregoing amounts are two times the average monthly bills for the active accounts that the Debtors still have with APCO, IM Power, Ohio Power and PSO.

B. The portion of the Adequate Assurance Deposit attributable to each Utility Provider shall be returned to the Debtors after the Debtors' payment in full of all postpetition obligations due and owing to the applicable Utility Provider, which the Debtors shall confirm in writing with the applicable Utility Provider.

C. The Debtors agree to pay all postpetition charges of the Utility Providers by the applicable due date of the invoice, which is a due date established in accordance with applicable state laws, regulations and/or tariffs.

D. If the Debtors fail to pay a utility bill when due (including the passage of any cure period), the relevant Utility Provider shall provide notice of such default to the Debtors, and if within five (5) business days of such notice, the bill is not paid, the Utility Provider may file an application with the Court certifying that payment has not been made and requesting the amount due up to an aggregate maximum equal to the Adequate Assurance Deposit allocable to such Utility Provider.

E. Notwithstanding anything in the Motion, the Order or (i) the orders approving the Debtors' use of cash collateral and/or post-petition debtor-in-possession financing facilities (collectively, the "**DIP Orders**"); (ii) the other documentation governing the Debtors' use of cash collateral and postpetition financing facilities; and (iii) the Approved Budget (as defined in the DIP Orders) to the contrary, there shall be no liens on the amounts in the Adequate Assurance Account for the Utility Providers that are higher in priority to the Utility Providers' rights and interests in the amounts contained and allocated in the Adequate Assurance Account for the Utility Providers. Moreover, the amounts contained in the Adequate Assurance Account shall remain

available to the Utility Providers for the payment of post-petition charges even if the Debtors cases are converted to cases under Chapter 7 of the Bankruptcy Code.

I declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed this 6th day of February 2019, at Columbus, Ohio.


Dwight C. Snowden

Exhibit A

OPERATING COMPANY	Account Number Last 4 digits	SERVICE ADDRESS	2-MONTH DEPOSIT	PREPETITION DEBT
APCO	54-21	1701 4TH AVE CHARLESTON WV 25387	\$6,690.00	\$4,745.09
APCO	52-29	GREAT TEAYS BLVD SCOTT DEPOT WV 25560	\$12,658.00	\$10,858.72
APCO	12-24	201 CROSSINGS MALL RD ELKVIEW WV 25071	\$5,956.00	\$4,765.50
APCO	12-24	6531 MACCORKLE AVE SE CHARLESTON WV 25304	\$14,734.00	\$10,530.81
APCO	54-36	1701 4TH AVE CHARLESTON WV 25387	\$172.00	\$52.29
APCO	52-13	100 HUNTINGTON MALL BARBOURSVILLE WV 25504	\$28,772.00	\$21,621.83
APCO	52-41	6015 FORT AVE STE 28 LYNCHBURG VA 24502	\$3,842.00	\$1,146.15
APCO	52-16	4812 VALLEY VIEW BLVD NW ROANOKE VA 24012	\$24,387.00	\$11,301.61
APCO Total			\$97,211.00	\$65,022.00
IM Power	51-11	1501 S STATE ROAD 37 ELWOOD IN 46036	\$6,866.00	\$6,041.99
IM Power	07-27	1517 S STATE ROAD 37 ELWOOD IN 46036	\$26.00	\$27.79
IM Power	51-45	630 E BRONSON ST STE 5 SOUTH BEND IN 46601	\$258.00	\$243.88
IM Power	51-68	630 E BRONSON ST STE 4 SOUTH BEND IN 46601	\$254.00	\$205.54
IM Power	51-40	630 E BRONSON ST STE 2 SOUTH BEND IN 46601	\$194.00	\$71.38
IM Power	51-70	630 E BRONSON ST STE 4 SOUTH BEND IN 46601	\$296.00	\$216.49
IM Power Total			\$7,894.00	\$6,807.07
Ohio Power	00-29	15891 STATE ROUTE 170 EAST LIVERPOOL OH 43920	\$19,802.00	\$9,673.73
Ohio Power	16-05	502 PIKE ST MARIETTA OH 45750	\$13,726.00	\$9,748.63
Ohio Power	00-14	67800 MALL RING RD UNIT 100 SAINT CLAIRSVILLE OH 43950	\$20,655.00	\$19,446.14
Ohio Power	29-48	15891 STATE ROUTE 170 EAST LIVERPOOL OH 43920	\$2,026.00	-\$258.90
Ohio Power	48-14	731 S 30TH ST HEATH OH 43056	\$12,878.00	\$5,105.08
Ohio Power	91-77	5765 GREEN POINTE DR N GROVEPORT OH 43125	\$19,883.00	\$8,043.51
Ohio Power	48-12	4975 TUTTLE CROSSING BLVD UNIT HSEM DUBLIN OH 43016	\$969.00	\$183.97
Ohio Power	67-71	400 LAZELLE RD STE 14 COLUMBUS OH 43240	\$440.00	\$250.12
Ohio Power	20-07	5053 TUTTLE CROSSING BLVD DUBLIN OH 43016	\$23,706.00	\$13,011.73
Ohio Power	12-04	2765 EASTLAND MALL COLUMBUS OH 43232	\$13,911.00	\$5,037.01
Ohio Power	71-01	5330 CROSSWIND DR COLUMBUS OH 43228	\$5,617.00	\$2,272.42
Ohio Power	50-67	5765 GREEN POINTE DR N UNIT FP GROVEPORT OH 43125	\$362.00	\$155.99
Ohio Power	73-13	1280 POLARIS PKWY COLUMBUS OH 43240	\$2,235.00	\$1,082.90
Ohio Power	14-35	400 LAZELLE RD STE 13 COLUMBUS OH 43240	\$629.00	\$303.11
Ohio Power	03-40	2885 GENDER RD REYNOLDSBURG OH 43068	\$7,855.00	\$3,244.71
Ohio Power	71-06	5330 CROSSWIND DR COLUMBUS OH 43228	\$25,128.00	\$10,045.46
Ohio Power	84-76	845 CLAYCRAFT RD UNIT D GAHANA OH 43230	\$363.00	\$351.50
Ohio Power	31-61	400 LAZELLE RD STE 10 WESTERVILLE OH 43240	\$1,145.00	\$911.26
Ohio Power	34-15	1400 POLARIS PKWY COLUMBUS OH 43240	\$28,835.00	\$12,864.64
Ohio Power	12-05	4411 W BROAD ST COLUMBUS OH 43228	\$11,531.00	\$8,823.74
Ohio Power	69-33	2204 CITY GATE DR COLUMBUS OH 43219	\$1,255.00	\$538.79
Ohio Power Total			\$212,951.00	\$110,835.54
PSO	13-27	501 SE WASHINGTON BLVD BARTLESVILLE OK 74006	\$1,378.00	\$1,232.82
PSO	13-29	501 SE WASHINGTON BLVD BARTLESVILLE OK 74006	\$75.00	\$43.92
PSO	13-27	2501 RED WHEAT DR CLINTON OK 73601	\$15,446.00	\$13,559.93
PSO	24-36	3643 S 73RD EAST AVE TULSA OK 74145	\$856.00	\$457.36
PSO	06-13	6929 S MEMORIAL DR TULSA OK 74133	\$22,592.00	\$15,528.59
PSO	60-12	416 SE F AVE LAWTON OK 73501	\$5,680.00	\$105.66
PSO	84-36	12626 E 60TH ST STE 111 TULSA OK 74146	\$823.00	\$697.14
PSO	06-12	4925 E 21ST ST TULSA OK 74114	\$2,200.00	\$523.87
PSO Total			\$49,050.00	\$32,149.29
Grand Total			\$367,106.00	\$214,813.90